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Baraga Telephone Co.

March 14, 2017

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Model Funding for Baraga Telephone Company
Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

Baraga Telephone Company (“BTC”), a rural local exchange carrier in Michigan, serves customers across four exchanges. BTC has been interested in securing model-based funding, but has been denied because of an inadvertent “double reporting” of coverage in its ILEC area under two different FRNs.¹

In recent months, the FCC has solicited comments from interested parties on “whether to allocate additional high-cost funding to the voluntary path to the model.”² Numerous parties have encouraged the FCC to allocate additional funding³ and BTC is in general agreement with those comments.

If the FCC does allocate additional model funding, it should take that opportunity to reconsider its earlier decisions to deny some companies access to the model path because of administrative oversights in the filing of Form 477 data.⁴ Doing so would provide thousands of rural customers access to the benefits of model-based funding, and would further the FCC’s stated desire to provide model funding for those companies with “significant work to do to extend broadband to unserved consumers in high-cost areas.”⁵

¹ For a description of the issue, see BTC’s “Motion to Reconsider or, in the Alternative, Request for a Waiver of Certain Provisions within FCC 16-33,” filed May 25, 2016.

² Further Notice of Proposed Rulemaking, FCC 16-178, issued on December 20, 2016.

³ Examples would include the separately-filed February 27, 2017 comments by NTCA, the Nebraska Companies, and the Eastern Rural Telecom Association.

⁴ A number of rural providers, including Valley Telephone, Grand River Telephone, Shawnee Telephone, Moultrie Independent Telephone, and Clarity inadvertently filed erroneous Form 477 data with the Commission and have been denied access to model-based funding.

⁵ Report and Order FCC 16-33, release March 30, 2016. ¶166.

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Background

During 2014, BTC made one set of Form 477 filings, utilizing FRN 0004156139. In 2015, however, Baraga Telephone received a second FRN (0024157745) for use when it was filing as a competitive local exchange carrier (CLEC).

In early 2016, Baraga Telephone realized it had been over-reporting 10/1 availability on its Form 477 data. In an effort to comply with reporting requirements,⁶ on January 29, 2016, Baraga telephone filed revised June 2015 and December 2015 Form 477 data with the FCC. Form 477 information on speeds available in Baraga Telephone's CLEC area were accurate, so BTC staff believed it was not necessary to file revised Form 477s for FRN 0024157745.

Unfortunately, the Form 477 data for FRN 0024157745 inadvertently reported broadband coverage in the ILEC census blocks. In this way, Baraga "double reported" coverage in its ILEC area. The January 29, 2016 revisions corrected one set of 10/1 over-reporting but did not correct the second set of 10/1 over-reporting. As a result, BTC did not receive an offer of model-based support. On May 25, 2016 Baraga Telephone filed a petition for waiver, asking the Bureau to use its accurate and timely-filed Form 477 data filed under FRN 0004156139 when determining model eligibility. On September 21, 2016, the Bureau denied that petition.

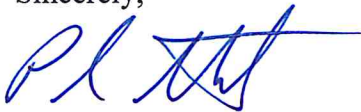
An Opportunity to Change Course

An injection of new model-based funding provides the FCC the flexibility it needs to provide a "second chance" for companies who made administrative errors in their June 2015 Form 477 filings.

The Bureau's decision to deny model-based funding to BTC may well result in drastic consequences, insofar as the same deployment that BTC could accomplish during the model term will be spread out over much, much longer. For the Baraga-area families and businesses, as well as the Keweenaw Bay Indian Community, that is a draconian penalty. The FCC has an opportunity to address and correct that disproportionate outcome at the same time it allocates additional model funding.

The FCC established the model path to better deploy broadband in rural America. Baraga Telephone stands ready to accomplish that goal in their area. BTC hopes the FCC will consider using a portion of any newly-allocated model funds to allow BTC access to model-based funding.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul Stark', with a stylized flourish extending from the end.

Paul Stark
President and General Manager
Baraga Telephone Company

⁶ The "FCC Form 477 Local Telephone Competition and Broadband Reporting Instructions" states at 7.5 that "Filers must submit revised data if the filer discovers a significant error."
<https://transition.fcc.gov/form477/477inst.pdf>.